

[Translation]

**Income Tax on Allowances to Staff
of Public Sector Undertakings and
Private Institutions**

3700. SHRI GOVINDRAO NIKAM: Will the Minister of FINANCE be pleased to state:

(a) whether some public sector undertakings and private institutions pay salary to their staff by dividing it in different allowances in order to save income tax;

(b) whether the Government propose to take into account all these allowances for income-tax purposes; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Under the Income-tax Act, 1961 salary is to include, inter-alia, any payment due to or received by an employee from, inter-alia, his employer. However, exemption from tax is provided for in respect of certain allowances subject to the conditions and limits laid down in the Act. Any such allowance in excess of the specified limits is liable to tax.

(b) and (c). In view of answer to part (a) of the question, replies to these parts do not arise.

[English]

Devolution of Funds to States

3701. SHRIMATI VASUNDHARA RAJE: Will the Minister of FINANCE be pleased to state:

(a) whether the Government of Rajasthan has requested the Union Government to re-examine the existing

criteria of devolution of funds to the States;

(b) if so, whether the Union Government have considered the request of the State Government; and

(c) if so, the details of the decision taken by the Union Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHANTARAM POTDUKHE): (a) Government of Rajasthan has requested for a review of the basis on which funds for calamity relief are now released to the States.

(b) and (c). The present arrangements for release of funds for calamity relief flow from the recommendations of the Ninth Finance Commission which Government have accepted. There is no proposal as of now for a reconsideration of these arrangements.

Evaluation Study of "SEEU"

3702. SHRI BHUWAN CHANDRA KHANDURI: Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No.2492 on August, 9, 1991 and state:

(a) the criteria fixed for choosing places for evaluation study of Self-Employment to Educated Unemployed Youth Scheme by the Ministry of Industry and the reasons for not including Garhwal region for such study; and

(b) the nature and constitution of District Level Consultative Committees and State Level Bankers Committee entrusted with the task of undertaking such evaluation study?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) With a view to assess the